

31 July 1972

MEMORANDUM FOR: Executive Director - Comptroller
SUBJECT : Revision of Fitness Report System

1. Throughout business and government, the fitness report remains one of the more maligned vehicles of management but also one of the more valuable tools available to managers and employees. Any large organization--particularly one in which there is a fair degree of mobility--must have a system which provides a written record of the employee's performance. The Agency is too large to depend on personal acquaintance or knowledge of an employee when significant personnel decisions are being made. In its present form, the Agency fitness report is far superior to earlier versions and is reasonably responsive to the needs of the Agency. Nonetheless, the system needs additional refinements to make it a more meaningful tool for both manager and employee. MAG believes that any plan for revision should take into account the following broad objectives.

2. One basic key to the success of the fitness report is the attitude of the supervisor. If he regards it as a pro forma exercise, the value of the report is diminished considerably and the system itself loses credibility. As a first objective, therefore, MAG thinks that the supervisor's role in the total procedure should be reviewed and that specific steps should be taken to strengthen his ability to use the system wisely and fairly. Specifically, MAG recommends:

- a. That every supervisor be given a written set of instructions and guidance on preparation of fitness reports. If the system is in any way revised, new instructions and/or oral briefings should be given.

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- b. That every supervisor be specifically rated by letter (in the section on "Specific Duties") on how well he prepares and handles fitness reports for those he supervises. Samples of fitness reports could perhaps be included in his own personnel file.
- c. That OTR give some attention to fitness report objectives and procedures in management classes. In particular, consideration should be given to requiring all supervisors to attend the one day Performance Appraisal Workshop run by OTR before they prepare their first fitness reports.
- d. That supervisors in a given office, division, staff or component get together periodically to discuss problems, procedures and goals in regard to fitness reports.

3. A second broad objective of revision should be to involve the employee more intimately in the procedure. The fitness report vitally affects his future and is the vehicle by which he sees concrete evidence of the esteem or lack thereof accorded him by his supervisors. Yet, he may play only a limited--even perfunctory--role in this vital process. At present, the rater writes the fitness report (and may or may not discuss it in depth with the employee), the employee signs it and the reviewer comments on it. The element of genuine dialogue is all too often missing, and the supervisor loses a unique opportunity for counseling and guiding. Further, the report itself contains no record of an employee's reactions or comments. To remedy these deficiencies, MAG recommends:

- a. That the fitness reports carry a separate section for employee comments and that employees be encouraged (or perhaps even required) to utilize this.
- b. That a statement be incorporated in the report (possibly just above the signature) which affirms that the supervisor has fully discussed the employee's performance in terms of strengths and weaknesses and has set adequate goals for the future.

- c. That a further statement be incorporated in the report which specifically advises the employee as to what his signature implies (his acquiescence to the report or merely that he has seen it?) and what grievance procedures are available to him if he takes exception to the report.
- d. That the employee (and rater) be permitted to see the comments of the reviewing official.
- e. That an employee be given a copy of his report for retention if desired.

4. Still another problem is the widely divergent manner in which various offices rate their employees. Although in some cases differences among components may be ascribed to the differing abilities of managers to communicate in writing it seems more likely that inconsistencies stem from management's failure more effectively to standardize the system. MAG therefore recommends:

- a. That serious study be given to the problem of devising objective criteria for evaluation which are applicable to all Directorates. (OCI made an effort to do this in a memorandum of January 1970 which spelled out more precisely what each letter category represented.)
- b. That other offices adopt some version of the OCI use of a box score printed on the fitness report which lists OCI percentages in a given letter category against the overall Agency percentages. The reviewer thus has some feel for what the rating means in terms of the Agency as a whole.

5. To ensure that the revised system meets the needs of both manager and employee, MAG feels continual review and study of the system is necessary. At present, an employee who is unhappy over a fitness report or a supervisor's attitude toward the process is in somewhat of a dilemma. If he does not choose to make a formal complaint to the Inspector General, he has no recourse to a less formal means of review. Even should he be permitted to write his own comments on the fitness report itself, he may still feel the need to discuss

problems with someone not directly in the chain of command. MAG also feels that some of the reluctance to change the system in the direction of greater openness and candor might diminish if some objective studies were made. MAG specifically recommends:

- a. That a kind of "ombudsman" be appointed in each Directorate with whom employees could consult about problems in fitness reports. Such a consultation would not constitute a formal complaint, but the ombudsman could use his own discretion about informing higher management about problems with a particular rater.
- b. That objective study and research be undertaken on such questions as (1) to what extent do the rater and reviewer disagree and (2) does the requirement of showing the entire fitness report to the employee make a substantial difference in the way the report is written.

6. MAG considered several other possible changes. One MAG member felt strongly that the only effective way to rate employees honestly would be through reports which were never seen by the employee. Majority sentiment was opposed to this method. At the other extreme, a MAG member suggested that the employee-supervisor dialogue on fitness reports should be maximized by having the employee summarize in draft form his accomplishments during the period, as he saw them, and then discuss these with his supervisor. The supervisor in turn would use this summary and the ensuing dialogue to shape the report itself. A related suggestion was to have the supervisor show a draft copy of the report to the employee before formal submission so that the rater could make constructive changes as he saw fit before making the report final. Both of these dialogue-maximizing suggestions sought to create a flexible, rather than a "take-it-or-leave-it," atmosphere. MAG believes that, while these procedures may in fact have been used successfully by some supervisors, they should be used only by highly skilled people who will not allow the process to degenerate into one of negotiation or bargaining. This approach therefore is not advocated for general use.

7. MAG also considered the possibility of abolishing letter grades to force more attention to the narrative section. The suggestion was made that, since some 76 per cent of the ratings given in the Agency in 1971 fell into either the "strong" or "outstanding" category (with another 23 per cent in the "proficient" category), the present rating scale is worthless and should be eliminated. MAG, however, hopes that its suggestions will help to make fitness reports more accurately reflect actual performance. Finally, MAG considered and rejected the idea of including in the report an employee's comments and requests relating to assignments, training, and so forth. We recognize the need for continued discussion on these aspects of an employee's career but believe the fitness report is not the proper mechanism. Certain offices have devised procedures to handle this aspect of career development (e.g. OCI's EBAR--Employee Biennial Assessment Review) and these could be studied with an eye to application elsewhere.

8. MAG in particular wants to emphasize that the fitness report should never be a substitute for a continuing dialogue between supervisor and employee. The evaluation in a report should come as no surprise to an employee. Rather, what is written in the report should reflect what has been said all along as to an employee's weaknesses and strengths, his progress, his attitude and his goals. Changes in the fitness report procedure will merely correct surface deficiencies. The basic need is for on-going and candid communication.

9. MAG sees the Fitness Report as a good basic tool which, with modifications and increased utilization, could become more valuable to all. From management's viewpoint, increased use of the reports as a personnel counseling vehicle, coupled with inputs from the employee, could do much to enhance the value of the fitness report.

MANAGEMENT ADVISORY GROUP